

06 July 2005

DEPARTMENT
OF
STATE

Iraq Weekly Status Report

UNCLASSIFIED



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Highlights

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1.0 Transition to Security Self-Reliance

- ï The Iraq Police Service graduated 211 police officers from advanced and specialty courses at the Adnan Training Facility on June 30.

2.0 Support a Free and Democratic Iraq

- ï On July 4, Transitional National Assembly (TNA) Deputy Speaker Husayn Shahrstani announced the expansion of the Constitutional Drafting Committee to include 15 Sunni Arabs and one Sabeen nominated from outside the TNA to join the constitution-drafting process as core members. Thirteen other Sunni Arabs were also appointed as expert advisors to the committee.

3.0 Provide Essential Services

- ï On June 17, PCO turned over the Basrah Sweetwater Canal equipment to the Ministry of Water Resources. The equipment, including heavy equipment, small tools, pipe, fittings, and workshop equipment, was turned over to the Ministry of Municipalities and Public Works in the Basrah area.

4.0 Establish Foundation for a Strong Economy

- ï On July 1, USAID organized a workshop for more than 60 bankers and members of Iraqi business associations in Baghdad, to discuss changing traditional bank lending methods.



Highlights

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5.0 Promote the Rule of Law

- Iraqi judges, including Chief Justice Medhat, identified the judiciary's top priorities for the constitution. The judges prioritized judicial independence and the protection of individual judges. The group also discussed the role the Iraqi judiciary should play in assessing the constitutionality of Iraqi laws. The statement from the judges will be presented to the Iraqi Constitution Drafting Committee.

6.0 Maintain International Engagement and Support

- On June 29, British Prime Minister Tony Blair said it was "vitally important" for coalition troops to remain in Iraq "until the job is done." In an exclusive interview, Blair described the conflict in Iraq as a "monumental battle. If we defeat these insurgents and terrorists in Iraq - and we'll only defeat them with the Iraqi people - we will beat terrorism and the insurgency worldwide."

7.0 Promote Strategic Communications

- Through USAID contracts, the National Democratic Institute organized the training of 164 facilitators who will conduct hundreds of constitutional dialogues throughout the country in the coming weeks. These facilitators are all members of the 150 NGOs participating in NDI's Constitutional Dialogue Program designed to facilitate constituent involvement in the constitutional process.



[1.0] Transition to Security Self-Reliance ñ Iraqi Security Forces

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Iraqi Security Forces Update:

- ï Iraqi Police officers repelled a coordinated anti-Iraqi forces attack against a police station in Sulaymaniyah on June 28.
- ï The Iraq Police Service graduated 211 police officers from advanced and specialty courses at the Adnan Training Facility on June 30. Formal training included Basic Criminal Investigations with 58 graduates, Advanced Criminal Investigation with 27 graduates, and Violent Criminal Investigation with 31 graduates.
- ï Iraqi soldiers, acting on tips from Iraqi citizens, captured 21 terror suspects during operations in central and west Baghdad. An Iraqi citizen walked up to soldiers from the 5th Battalion, 1st Brigade, 6th Iraqi Army Division and identified a group of men responsible for an earlier ambush on Coalition forces.



[1.0] Transition to Security Self-Reliance ñ Iraqi Security Forces

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Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED
POLICE	63,469
HIGHWAY PATROL	
OTHER MOI FORCES	30,787
TOTAL	94,256*

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	76,934
AIR FORCE	190
NAVY	533
TOTAL	77,657**

Total Trained & Equipped ISF:

171,913

* Ministry of Interior Forces: Unauthorized absences personnel are included in these numbers

** Ministry of Defense Forces: Unauthorized absences personnel are not included in these numbers



[2.0] Support a Free and Democratic Iraq ñ **Developments**

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Constitution Update:

- ï On July 4, Transitional National Assembly (TNA) Deputy Speaker Husayn Shahrastani announced the expansion of the Constitutional Drafting Committee to include 15 Sunni Arabs and one Sabeian nominated from outside the TNA to join the constitution-drafting process as core members. Thirteen other Sunni Arabs were also appointed as expert advisors to the committee.
- ï The Iraqi womenís caucus recently met with USAID to discuss ways to ensure Iraqi organizations and institutions are legally protected regardless of gender, ethnicity and religion. An Islamic scholar was in attendance to explore constitutional issues viewed in the context of Islamic law. USAID will also provide access to constitutional experts. The womenís caucus has a draft statement to take to their parties and will be using the tools gained during advocacy training sessions to encourage their parties to agree to the concepts they have been discussing.



[2.0] Support a Free and Democratic Iraq ñ Developments

DEPARTMENT OF STATE

Local Governance:

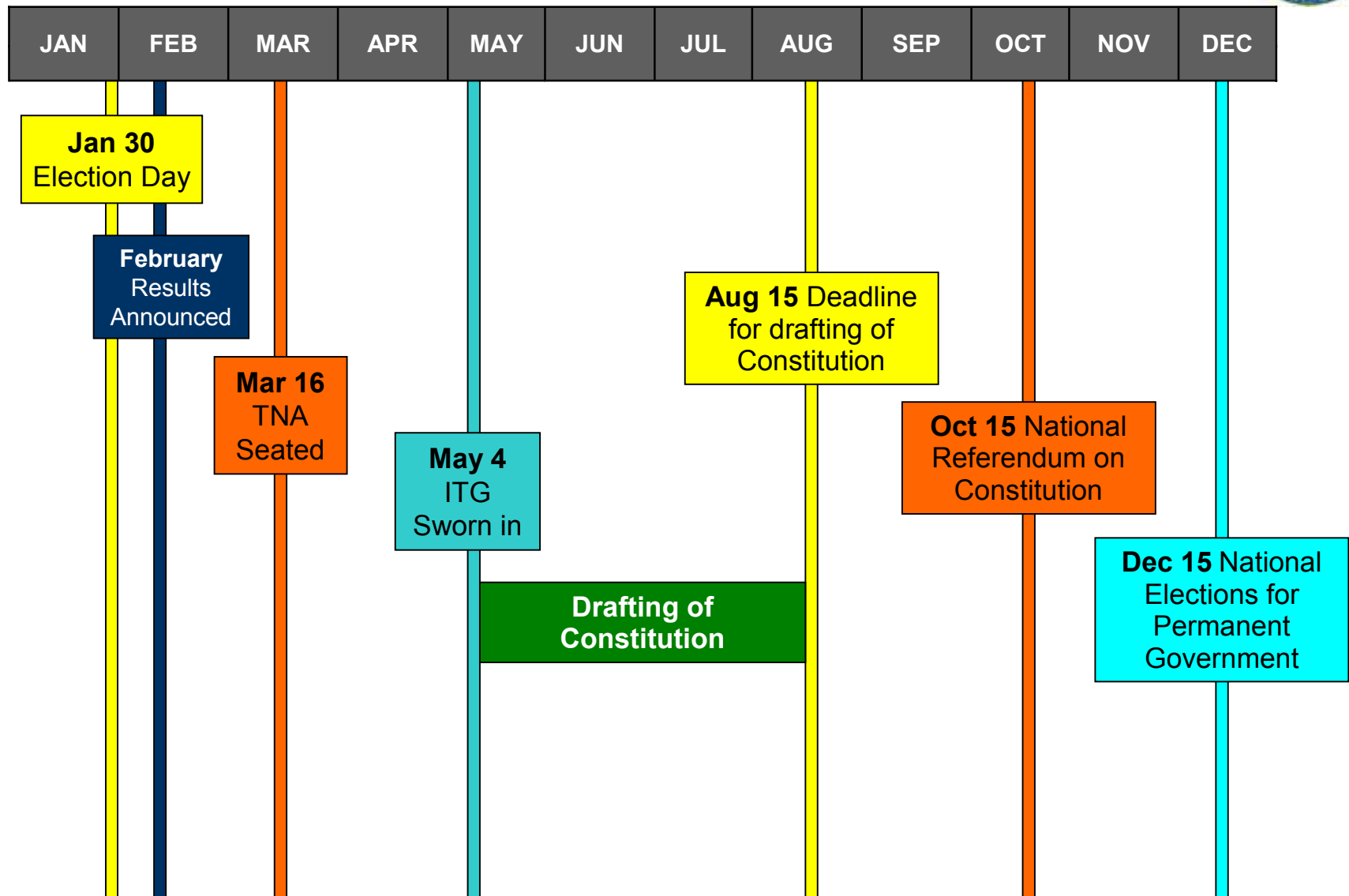
- ï USAIDís Local Governance Program recently conducted workshops for Basrah governorate district councils. The training module topics included Sources of Authority, Council Procedures and Functions, Code of Conduct and Work Methods and Citizen Participation. A total of 76 district council members from Maysan, Dhi Qar, Al Muthana and Basrah governorates participated in the program. Participants included eight women members of the Basrah Governorate Council.

Continuing TNA Responsibilities:

- ñ Serve as Iraq's national legislature until the election of a new government under a permanent constitution.
- ñ According to the Transitional Administrative Law, the TNA is to draft Iraq's new Constitution by August 15, 2005; this will be presented to the Iraqi people for their approval in a national referendum by October 15, 2005.
- ñ If it is approved, an election for a permanent Iraqi government under that new Constitution will occur by the end of 2005.



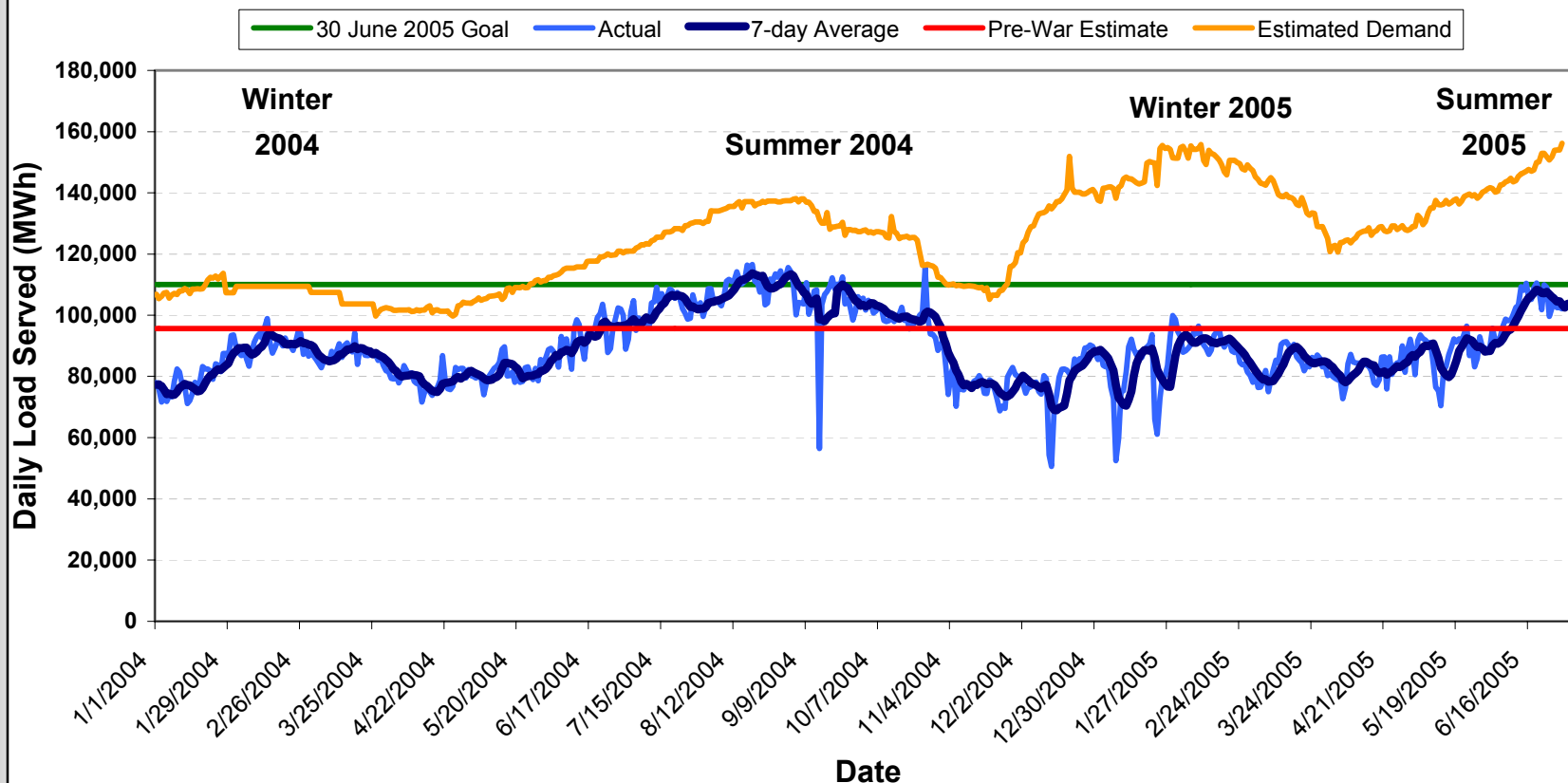
[2.0] Support a Free and Democratic Iraq ñ Electoral Process Timeline

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[3.0] Provide Essential Services ñ Electricity Overview

Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- ï Electricity load served is again above the summer 2005 target (110,000 MWh) in the last week (June 27 ñ July 3), averaging 111,500 MWh.
- ï Average hours of available power averaged 11.5 hours in Baghdad and 12 hours countrywide, despite the record high demand levels.



[3.0] Provide Essential Services ñ **Oil and Telecommunications**

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Oil Update:

- ï Crude oil prices in world markets for the week ending July 1 closed with the following prices:
 - ñ Basra Light at \$49.82/barrel ñ Dated Brent at \$56.42/barrel
 - ñ Oman/Dubai at \$53.56/barrel ñ WTI Cushing at \$58.26/barrel
- ï The Ministry of Oil's State Oil Marketing Organization (SOMO) will award a tender of an additional four million barrels of Kirkuk crude oil for lifting at this location in early July. This is the first Kirkuk crude tender organized by SOMO in more than a year and the first sales of Kirkuk crude since December 2004.

Telecommunications:

- ï The three major cell phone companies in Iraq (Asiacell, Iraqna, and Atheer) continue to enroll new subscribers at healthy rates. As of June 27, there were 2,804,147 active cellular subscribers in Iraq. Landline telephone subscribers in Iraq have also increased to 997,675. Prior to Operation Iraqi Freedom, there were approximately 833,000 landline subscribers.



[3.0] Provide Essential Services ñ **Water and Sanitation**

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Water and Sanitation:

- ï PCO has 80 water treatment projects underway and has completed 45 to date. Under the Accelerated Iraqi Reconstruction Program (AIRP), there are a further six water treatment projects under construction and 44 have been completed.
 - ñ Total water treatment capacity to be added from PCO projects is approximately 1.0 million cubic meters per day.
- ï On June 17, PCO turned over the Basrah Sweetwater Canal equipment to the Ministry of Water Resources. The equipment, including heavy equipment, small tools, pipe, fittings, and workshop equipment, was turned over to the Ministry of Municipalities and Public Works in the Basrah area.
- ï PCO representatives met with the Minister of Water Resources on June 22 and discussed training and gender mainstreaming. PCO completed a Water Quality Workshop in Amman, Jordan, on June 27.
- ï As part of efforts to improve the hydraulic infrastructure in Iraq's rural areas, the Ministry of Agriculture (MOA) and USAID's Agriculture Reconstruction and Development for Iraq (ARDI) program are to begin repairs of some discharge regulators ñ devices that help limit and direct the flow of water through irrigation canals.
 - ñ The project will commence repairs on a discharge regulator that provides water to 10,000 donums (2,500 hectares) of land in central Iraq's Qadissiyah governorate benefiting more than 7,000 Iraqis.



[3.0] Provide Essential Services ñ Health Care

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Health Care:

- ï Construction is underway on 158 new primary health care (PHC) facilities across Iraq. Under the AIRP, an additional two PHCs are under construction and eight have been completed.
- ï Through USAID, two additional Environmental Health Education Resource Centers will be established at two universities in Iraq ó one in the Arbil region and one near Al-Hillah. The universities have already allocated space for laboratories and libraries for the centers and will support the necessary electrical and plumbing work for the facilities.
 - ñ Center coordinators and directors have been identified from among university faculty and equipment will soon be sent to the new centers.
 - ñ Medical doctors who attended training courses in Amman in February will begin to organize local training courses at the centers for doctors and students in their regions.



[3.0] Provide Essential Services ñ Education

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Education:

- ï A total of 3,065 schools have been rehabilitated to date, and a further 776 are undergoing rehabilitation.
- ï PCO has completed 633 schools renovations to date and a further 59 are under construction. Under the AIRP, an additional 24 school renovations have been completed and 16 are underway.
 - ñ 840 schools are scheduled for completion by mid-2005.
- ï The University of Hawaii, on behalf of USAID's Higher Education and Development Program (HEAD), collected information in May on gender demographics of faculty and staff at the agricultural colleges of several Iraqi universities.
 - ñ Results showed that women comprised 7 ñ 35 percent of the faculty and 25 ñ 52 percent of the students of responding colleges; female enrollment was highest among undergraduate students.
 - ñ Many women end their academic careers after obtaining their Bachelor's degree, and generally less than 10 percent of women faculty at Iraqi agricultural colleges have obtained their doctorate degree.



[4.0] Establish Foundation for a Strong Economy ñ Agriculture and Job Creation

Price Data Now Available for Baghdad Markets:

- ï Daily prices for selected agricultural products from the Baghdad wholesale markets are now available. MOA/ARDI began monitoring wholesale markets as part of an effort to ease the transition towards a more market-based agricultural economy.
- ñ In the long run, MOA/ARDI expects the provision of timely and reliable price information to be an important step forward in the development and expansion of a competitive private sector market for Iraqis agricultural products.

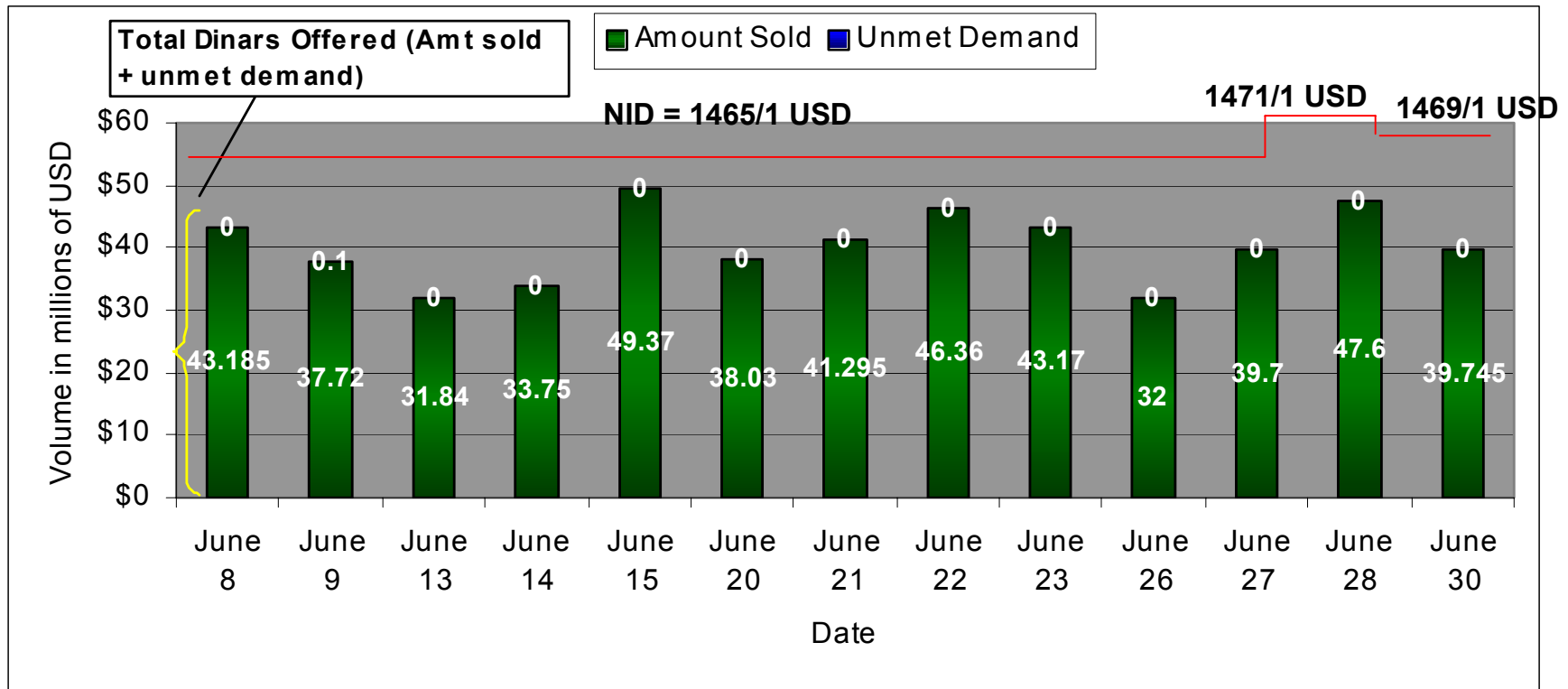
Employing Organization	Iraqis Last Week	Iraqis This Week	% Change on Week
PCO (Project and Contracting Office)	29,170	28,282	-3.0%
USAID*	52,669	52,833	0.3%
AIRP (Accelerated Iraqi Reconstruction Program)	2,275	2,275	0.0%
MILCON (Military Construction)	395	546	38.2%
CERP* (Commanders' Emergency Response Program)	23,706	23,706	0.0%
MNSTC-I	24,443	24,443	0.0%
IRRF NON-CONSTRUCTION	11,157	11,157	0.0%
GRAND TOTAL	143,815	143,242	-0.4%



[4.0] Establish Foundation for a Strong Economy - Banking Sector

Iraq Currency Exchange:

- At the New Iraqi Dinar (NID) auction July 5, the settlement price was 1,469 dinars per USD. Sixteen banks offered and sold a total of NID 48.5 billion (\$33.025 million). The following table shows the purchase volume for NID every auction from June 8.



- Supply and demand have matched since June 8.



[4.0] Establish Foundation for a Strong Economy

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Iraqi Stock Exchange:

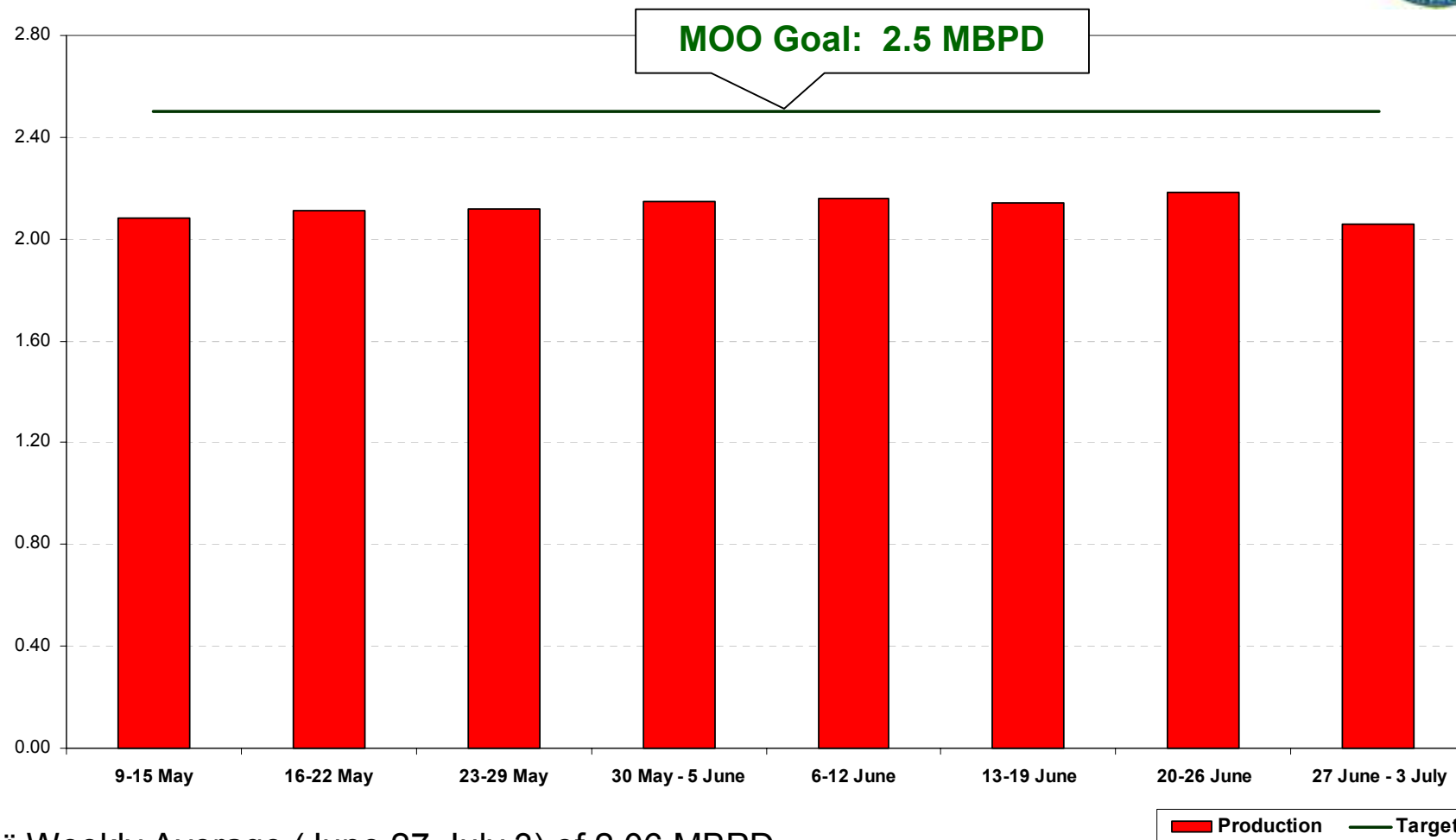
- ï On June 29, the Iraqi Stock Exchange (ISX) traded 628,454,318 shares with a total trading volume of NID 4,721,984,583 (\$3,223,198).
 - ñ The banking sector comprised the largest volume of trading. Eight banks traded 335,977,888 shares with a trading volume of 2,485,243,939 (\$1,696,412).
 - ñ The services sector comprised the second largest volume of trading. Five companies in this sector traded 143,277,588 shares with a trading volume of NID 1,439,662,387 (\$982,705).

Workshop on Bank Lending Methods:

- ï On July 1, USAID organized a workshop for more than 60 bankers and members of Iraqi business associations in Baghdad, to discuss changing traditional bank lending methods.
 - ñ The workshop covered the challenges of obtaining business loans, meeting restrictive lending procedure requirements, and educated businesspeople on the types of loan assistance available.



[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Production

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ï Weekly Average (June 27-July 3) of 2.06 MBPD

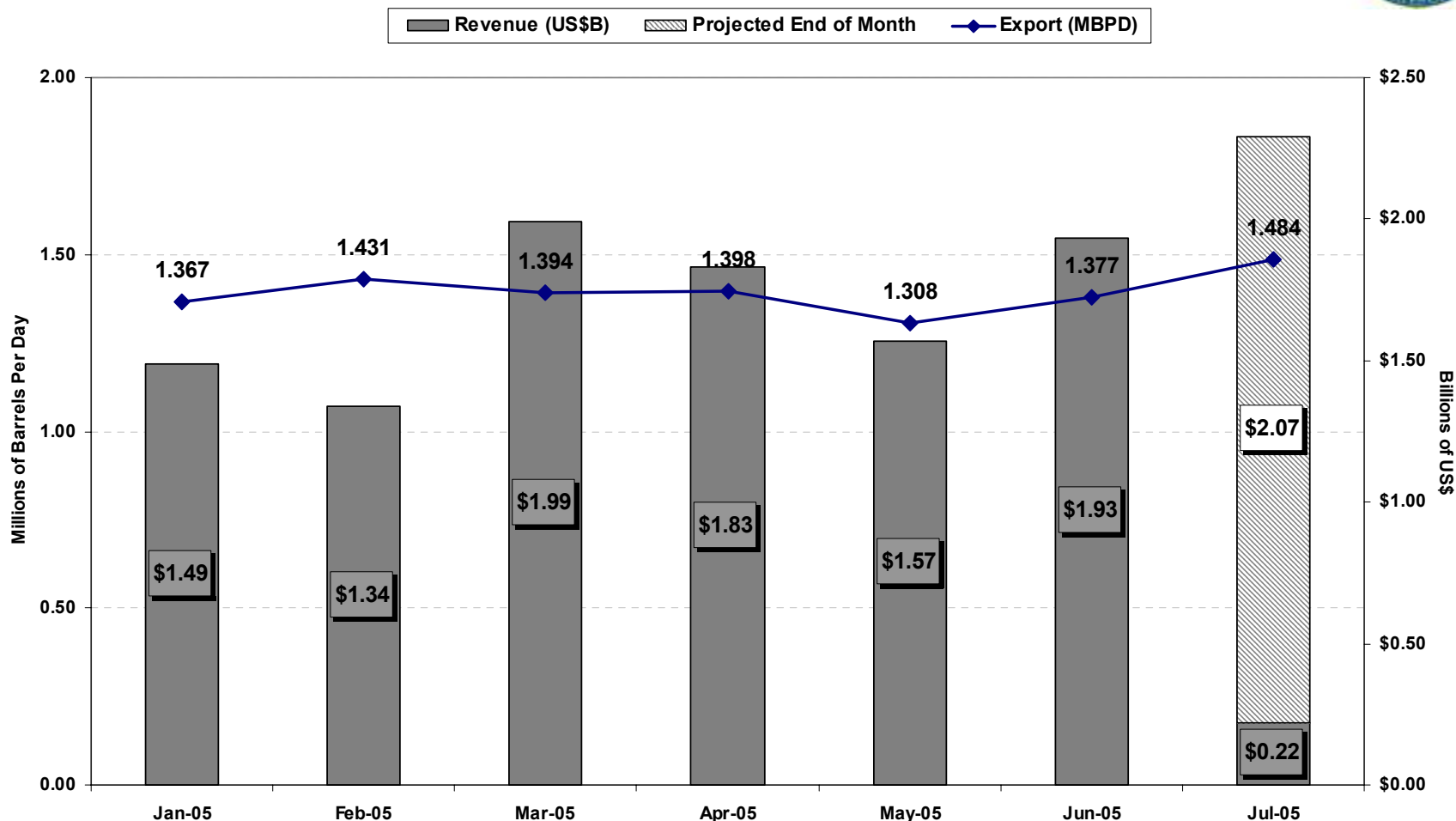
ï Pre-War Peak: 2.5 MBPD in Mar 2003

ï Post-War Peak: 2.67 MBPD



[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Export

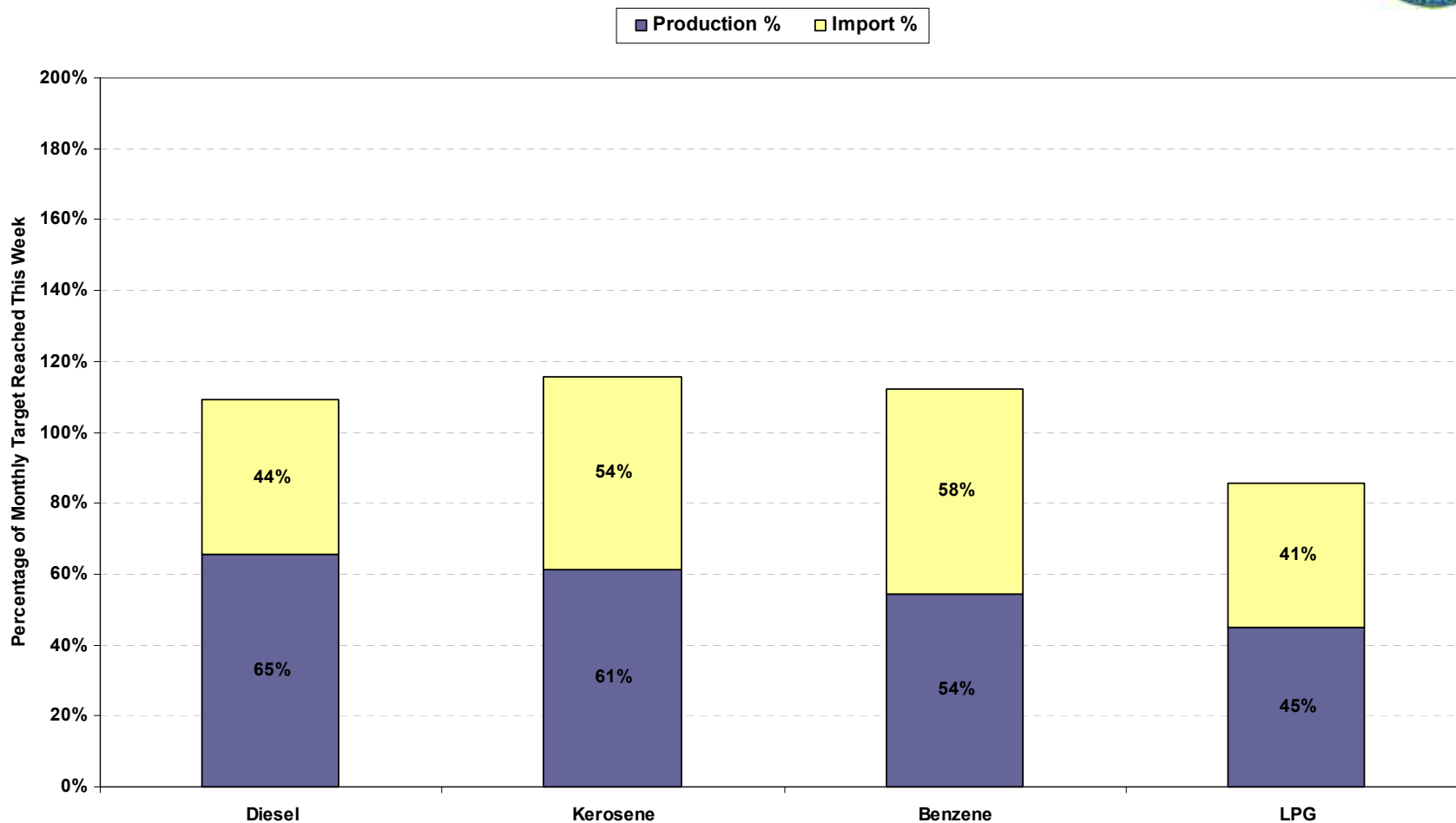
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Ĩ 2003 Revenue: \$5,076.6 M
 Ĩ 2004 Revenue: \$17,012.3 M
 Ĩ 2005 Revenue: \$10,153.8 M (cumulative for 2005)



[4.0] Establish Foundations for a Strong Economy ñ Refined Products

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Note: This chart represents the average percentage of daily target reached for the week of June 27-July 3

ï Diesel: 19.6 ML of 18 ML

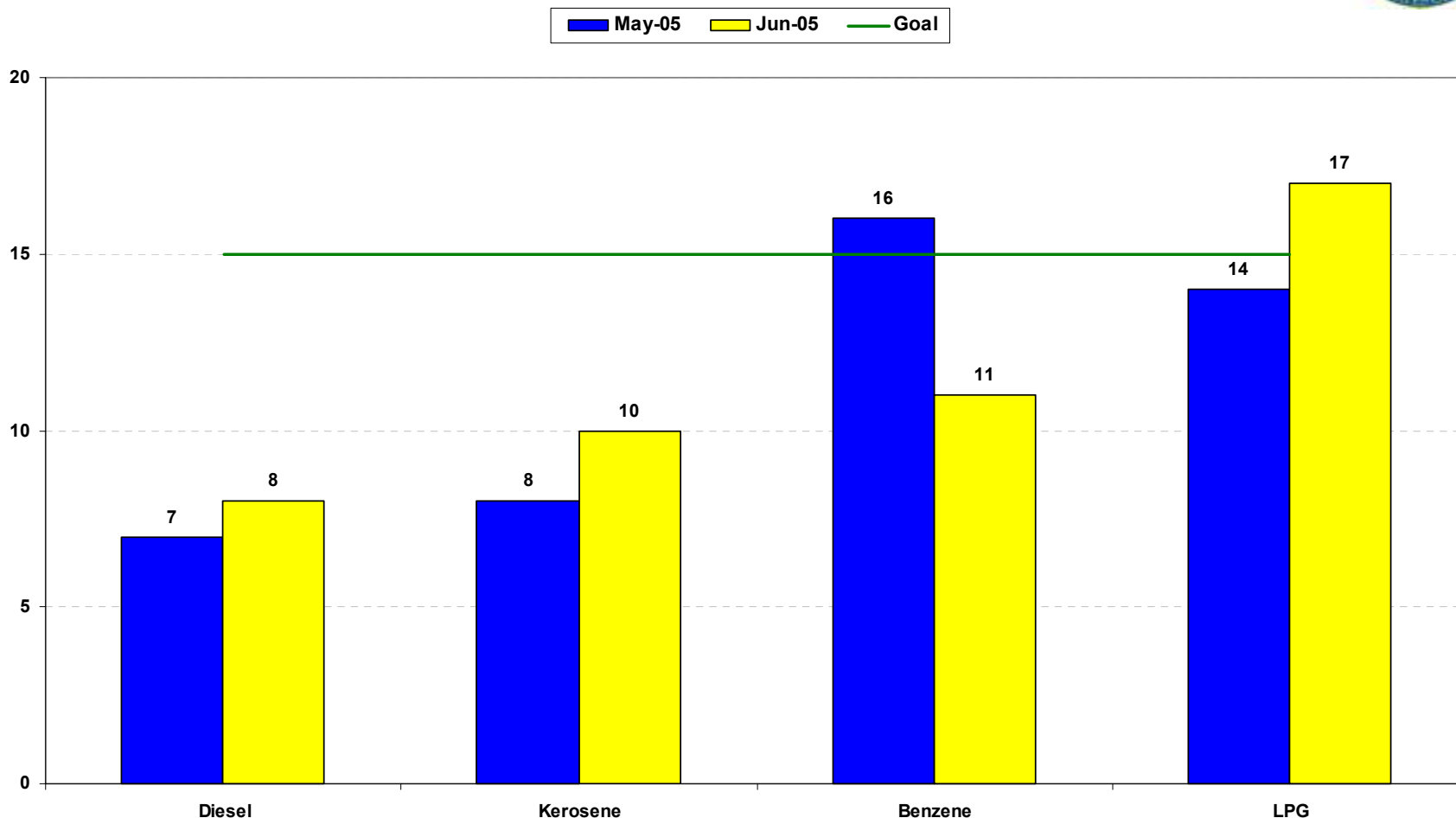
ï Benzene: 20.2 ML of 18 ML

ï Kerosene: 6.3 ML of 5.4 ML

ï LPG: 3,683 tons of 4,300 tons



[4.0] Establish Foundations for a Strong Economy ñ National Stock Levels

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ï The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.



[4.0] Establish Foundation for a Strong Economy ñ IRRF I & II Financials

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\$Millions			Committed			Obligated			Disbursed		
Sector	2207 Report	Apportion	Last Week	Current	Change	Last Week	Current	Change	Last Week	Current	Change
Security and Law Enforcement	5,035.6	5,035.6	4,891.7	4,907.8	16.11	4,466.4	4,476.4	9.95	2,797.7	2,853.6	56.0
Electricity Sector	4,308.2	4,057.6	3,699.1	3,687.1	(11.98)	2,686.8	2,702.5	15.68	1,250.6	1,257.6	7.0
Oil Infrastructure	1,723.0	1,723.0	1,576.7	1,599.8	23.07	1,126.4	1,126.8	0.39	346.4	360.6	14.3
Justice, Public Safety and Civil Society	1,224.2	1,224.2	1,116.5	1,116.7	0.19	919.8	971.1	51.38	351.3	368.8	17.5
Democracy	905.4	905.3	884.3	884.9	0.57	850.3	850.3	0.00	443.5	459.6	16.1
Education, Refugees, Human Rights, Governance	363.0	363.0	317.9	324.2	6.33	287.4	303.8	16.40	107.4	111.2	3.8
Roads, Bridges and Construction	355.2	355.2	329.8	329.9	0.06	194.1	209.6	15.49	106.3	106.6	0.3
Health Care	786.0	786.0	716.7	716.7	0.02	570.1	570.1	0.00	124.6	128.0	3.4
Transportation and Communications	509.0	508.5	479.5	480.1	0.65	378.9	379.6	0.65	110.2	113.1	2.9
Water Resources and Sanitation	2,156.7	1,829.2	1,752.5	1,753.7	1.18	1,322.7	1,366.5	43.81	214.9	216.4	1.5
Private Sector Development	860.3	840.3	833.5	834.3	0.77	817.5	817.5	0.00	467.1	475.3	8.2
Admin Expense (USAID, STATE)	213.0	29.0	29.0	29.0	0.00	29.0	29.0	0.00	29.0	29.0	0.0
TOTAL	18,439.5	17,656.9	16,627.2	16,664.2	36.98	13,649.3	13,803.1	153.75	6,349.0	6,479.9	130.9
IRRF 2 Construction		10,409.9	9,750.6	9,746.6	(3.97)	7,521.2	7,591.1	69.88	2,877.4	2,907.6	30.2
IRRF 2 Non-Construction		6,341.7	5,992.4	6,032.8	40.38	5,277.8	5,361.7	83.87	3,028.1	3,112.7	84.6
IRRF 2 Democracy		905.3	884.3	884.9	0.57	850.3	850.3	0.00	443.5	459.6	16.1
IRRF 1 Subtotal	2,473.3	2,473.3	2,473.3	2,473.3	0.00	2,473.3	2,473.3	0.00	2,406.6	2,406.6	0.0
Grand Total IRRF 1 & 2	20,912.8	20,130.2	19,100.5	19,137.5	36.98	16,122.6	16,276.4	153.75	8,755.6	8,886.5	130.9



[5.0] Promote the Rule of Law ñ Iraqi Judicial System

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Iraqís Judges Provide Input to the Constitutional Committee:

- ï INLís Judicial Integrity Project held a meeting with Iraqi judges, including the Chief Justice, to identify the judiciary's top priorities for the constitution. The judges prioritized judicial independence and the protection of individual judges. The group also discussed the role the Iraqi judiciary should play in assessing the constitutionality of Iraqi laws. The statement from the judges will be presented to the Iraqi Constitution Drafting Committee.

Ministers Identify Justice Integration as a Top Priority:

- ï During the International Conference on Iraq in Brussels, the Iraqi Ministries of Interior and Justice gave a presentation on Rule of Law and Public Order, identifying justice integration as a top priority.



[5.0] Promote the Rule of Law ñ **Public Integrity and Anti-Corruption**

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Ministry of Health Unveils Corruption:

- ï The Ministry of Health identified more than 40 cases of administrative and financial corruption within the Ministry's departments in Baghdad and the Governorates, as well as in more than 10 hospitals. This is in addition to a large number of illegal and forged medical agreements. Among the cases, NID 50 million was pilfered by the head of the Health Technical Affairs Department in Najaf. The same source added that the Minister recommended the most severe punishment for those who violated the law.

Attorney General Urges Apprehension of Criminals Abroad and Return to Iraq:

- ï Iraqi Attorney General, Ghadhafer Al Jassim, met with investigators, members of his office, as well as other Arab prosecutors and international police officials, to discuss and review the files and related documents of Iraqi criminals who have fled abroad. They also discussed how to organize legal and logical operations to apprehend the criminals including the necessity of establishing warrants for their arrest.



[6.0] Maintain Int'l Engagement & Support ñ **Developments**

International Support:

- ï On June 29, British Prime Minister Tony Blair said it was ìvitally importantî for coalition troops to remain in Iraq ìuntil the job is done.î In an interview, Blair described the conflict in Iraq as a ìmonumental battleî and said it was essential that troops ìnot leave until the job is done. If we defeat these insurgents and terrorists in Iraq - and we'll only defeat them with the Iraqi people - we will beat terrorism and the insurgency worldwide.î
- ï On June 30, foreign ministers of Muslim countries pledged cooperation with Iraqi authorities to help end a bloody insurgency waged there by Iraqis and foreign Arabs. Ministers of member states of the Organization of the Islamic Conference (OIC) meeting in Yemen agreed to help ìrebuild Iraq and enable the Iraqi government to maintain security and stability.î
- ï According to a MNSTC-I report, NATO member countries are responding to the Iraqi peopleís desire for increased security in their country by providing more than \$30 million worth of donated arms and equipment this year to support Iraqís security forces.
- ï Last week, 30 board members of Iraqi business associations and 30 mid-level government officials attended a series of workshops in Baghdad to learn about the challenges of World Trade Organization (WTO) membership for Iraq and its impacts on their organizations.

**[6.0] Maintain Int'l Engagement & Support ñ Stability Contributors****27 MNF-I Contributors (in addition to US)**

Albania	Denmark	Korea	Poland
Armenia	El Salvador	Latvia	Portugal
Australia	Estonia	Lithuania	Romania
Azerbaijan	Georgia	Macedonia	Slovakia
Bosnia/Herz	Italy	Moldova	Ukraine
Bulgaria	Japan	Mongolia	UK
Czech Rep	Kazakhstan	Norway	

TOTAL ~ 23,000 Forces

*Note: Fiji participating as a part of the UN mission in Iraq.

28 Countries and NATO
(including US)
Support Iraqi Stability Operations



[7.0] Promote Strategic Communications ñ Developments

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Strategic Communications:

- ï The Director of Al Sharqia TV, Ahmed Wael Bakri, was killed by American forces in Al Saydia while driving his car. Witnesses said that he was a victim of the clashes between American forces and insurgents in the area.
 - ñ On June 29, Embassy PA released an Embassy statement to Arabic press on the killing of Mr. Bakri. The statement of condolence was read in its entirety on Al-Sharqiya TV, Bakriís television station, and printed in most local publications.
- ï Embassy PAS interviewed with several Arabic press outlets this week, including Al-Hurra on June 26, Voice of America Turkish Service and Dogan News Agency on June 28, Ashur TV on June 29 and Radio Sawa on June 29. Embassy Public Affairs Officer also visited Iraqi Media Network Director General Habib al-Sadr on June 28 and briefed over 15 Iraqi journalists in a weekly backgrounder on June 29.
- ï A group of 14 Iraqi secondary school English teachers traveled to Eastern Washington State University for a course that began on June 26. The course will last six weeks and covers English teaching methodology.



[7.0] Promote Strategic Communications ñ **Developments**

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Strategic Communications:

- ï The Forum of Federations has developed a 40-minute video, ìThe Challenge of Diversity: The Federal Experience,î available in Arabic as well as in English. The video shows how five countries - India, Switzerland, Belgium, Spain and Canada - deal with ethnic and linguistic diversity through their federal systems.
- ï Through USAID contracts, the National Democratic Institute (NDI) organized training for 164 facilitators to conduct hundreds of constitutional dialogues throughout the country in the coming weeks. These facilitators are members of the 150 NGOs participating in NDIís Constitutional Dialogue Program designed to facilitate constituent involvement in the constitutional process. NDI prepared a training kit which included documents on facilitator roles and responsibilities, plan and purpose of constitutional dialogues, samples of the Iraqi and foreign constitutions, and materials on how to do report writing for the constitutional feedback database.
- ï Embassy Baghdad ChargÈ, accompanied by senior Embassy staff, visited South-Central Iraq on June 25. His all-day trip included stops in the shrine cities of Karbala and Najaf (where he spoke with the press) and to the Regional Embassy Office in Hillah. The ChargÈ met with Governors, National Assembly members, and Provincial Council representatives. He also conducted a Sunni outreach effort with leaders of Babilís minority Sunni community.



Iraq Weekly Status ñ General Information

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- ï This brief draws from multiple sources. References are cited on the respective pages in the ìNotes Pageî section (View → Notes Page).
- ï Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov